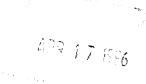
Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554



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REPLY COMMENTS OF THE SOUTHERN NEW ENGLAND TELECOMMUNICATIONS CORPORATION

The Southern New England Telecommunications Corporation (SNET) replies to the comments filed on March 18, 1996 in response to the two Notices of Proposed Rulemaking in the above-captioned proceedings.¹

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¹ In the Matter of Telecommunications Services, Inside Wiring and Customer Premises Equipment, Notice of Proposed Rulemaking, CS Docket No. 95-184 (released January 26, 1996) ("NPRM"); and In the Matter of Implementation of the Cable Television Consumer Protection and Competition Act of 1992, Cable Home Wiring, First Order on Reconsideration and Further Notice of Proposed Rulemaking, MM Docket No. 92-260, (released January 26, 1996) ("FNPRM").

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I. <u>INTRODUCTION AND SUMMARY</u>

SNET supports the March 18th comments of the United States

Telephone Association ("USTA") and others who urge the Commission to
formulate limited rule changes granting cable subscribers access to cable
home wiring before termination of service.² The process specified in the

First Order on Reconsideration and FNPRM encourages fair and open
competition by clearly defining the incumbent operators' responsibilities and
protecting their property rights, while also assuring potential customers of
alternative providers that their service will not be disrupted.³ However, the
desire by the Commission to adopt sweeping new rules mandating a common
inside demarcation point for cable ("broadband") and telephone
("narrowband") services is unnecessary to promote competition.

The Telecommunications Act of 1996 ("the 1996 Act"),⁴ will open markets to competition and will blur the line dividing the formerly separate cable and telecommunications industry.⁵ The Act eliminates regulatory barriers, opens up all telecommunications markets to competition, and

² See Comments of USTA, CS Docket No. 95-184, at p. 1. See also Comments of Cincinnati Bell Telephone ("CBT"), at pp. 2-3; DirecTV at pp. 13-14; and MFS at pp. 3-4.

³ FNPRM at paras. 17-24.

⁴ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).

⁵ Congress passed the 1996 Act to revise the Communications Act of 1934 so as to "provide for a procompetitive, de-regulatory national policy framework designed to accelerate private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all markets to competition." (S. Confr. Rep. No. 230, 104th Cong., 2^d Sess. 1, reprinted in 142 Cong. Rec. H1078 (January 31, 1996). *See Also* Petition of The Southern New England Telephone Company for Suspension of Section 251(c)(4) of the Telecommunications Act, before the State of Connecticut, Department of Public Utility Control ("CDPUC"), dated March 15, 1996, at pp. 2-3, ("SNET Petition").

thereby eliminates many of the restrictions that have prevented telephone companies, long-distance carriers, and cable and utility companies from competing with each other.⁶ With the arrival of competition, the regulatory process must keep pace with developing technologies and networks to insure the timely introduction of new products and services for customers.⁷ The Act permits and encourages regulatory forbearance. SNET suggests that the marketplace is the appropriate vehicle for determining most inside wiring issues.

The Commission crafted rules for telephone inside wiring in a relatively stable environment. In the near term, narrowband telephone services will continue to be provided over traditional twisted copper pair wiring. The Commission is urged to continue the current telephone inside wire rules that have served customers and the industry well.

As technology continues to advance and competition increases among various providers, any rulemaking adopted now could well become obsolete very quickly and require change. Even with competition between telecommunications and cable providers, narrowband telephone services are likely to still be terminated at the subscribers' premises over one facility, while broadband cable services are provided over another separate facility. Therefore, the Commission's rules must continue to recognize the distinctions between "telephone" and "cable" services and technology.

⁶ SNET Petition, at p. 3.

⁷ Position Paper of The Southern New England Telephone Company, CDPUC Investigation Into Participative Architectures, Docket No. 94-10-14, dated March 29, 1996, p. 2.

⁸ NPRM at para. 2.

To encourage competition and greater customer choice, SNET agrees with the proposal to prohibit <u>future</u> loop-through cable installations.⁹ Barring cable companies from installing loop-through systems in new multiple dwelling unit ("MDU") buildings will help ensure that subscribers have the opportunity to use any alternative provider that offers a choice of service.¹⁰

Adopting rules to encourage greater customer choice among service providers is appropriate and consistent with the Communications Act of 1934, as amended. Customer control of inside wiring (both telephone and cable) within their premises is appropriate, not simply upon termination of service, but upon installation. The Commission is urged to adopt rules enhancing open access and greater customer choice -- whether of narrowband or broadband services. Flexible and responsive rulemaking is required to treat all providers of similar services the same. To foster marketplace innovation and competition, regulations must not favor one particular architecture or technology over another.

There is no compelling logic to adopt rules harmonizing cable and telephone demarcation points except in limited circumstances where technical and practical constraints are not present. One such area is demarcations for single dwelling units. A common demarcation point for narrowband telephone services and broadband cable services for single

⁹ FNPRM at para. 36.

¹⁰ Comments of NYNEX, MM Docket No. 92-260 at pp. 3-4.

¹¹ Comments of Pacific Bell and Pacific Telesis Video Services, CS Docket No. 95-184, at page 2; Comments of BellSouth, CS Docket No. 95-184, at p. 2; Comments of Time Warner, CS Docket No. 95-184, at p. i; Comments of TCI, CS Docket No. 95-184 / MM Docket No. 92-260, at p. 2; Comments of US West, CS Docket No. 95-184, at pp. 3-6; Comments of Cox Communications, CS Docket No. 95-184, at p. 8.

dwelling units is practical and technically feasible. But there is no reason to mandate a common demarcation point for MDUs. Indeed, current telephone and cable wiring rules recognize the differences in the demarcation point for MDUs due to technical requirements. Narrowband telephone services can be terminated at the building entrance without signal amplification while broadband cable services require signal amplification, and thus, termination must extend into a building.

II. It is Premature for the Commission to Mandate a Common Demarcation Point for Narrowband and Broadband Services

A. In the Near Term, the Provisioning of Narrowband and Broadband Services is in a State of Flux

Mandating a common demarcation point at this time is inappropriate due to changes in the technology of both broadband and tele-communications.¹³ For the foreseeable future, telephone (narrowband) and cable (broadband) services will continue to be delivered to end-users over separate facilities.¹⁴ A more appropriate course of action is to reopen this proceeding when technology evolves to a point where integration of facilities providing both narrowband and broadband services is in evidence.¹⁵

¹² Comments of Cox Communications ("Cox"), CS Docket No. 95-184 / MM Docket No. 92-260, at p. 17; Comments of US West, Docket No. 95-184, at pp. 6-8; Comments of BellSouth, CS Docket No. 95-184, at pp. 4-5.

¹³ Id.

Comments of BellSouth, CS Docket No. 95-184, at p. 2; Comments of Cox, CS Docket No. 95-184 / MM Docket No. 92-260, at p. 8; Comments of NCTA, CS Docket No. 95-184, at p. 22.

¹⁵ Comments of MFS, CS Docket No. 95-184, at p. 13.

B. A Common Telephone / Cable Demarcation is Especially Inappropriate for Multiple Dwelling Units

The Commission itself recognizes the technical constraints of establishing the demarcation point for MDUs at the minimum point of entry due to many architectural settings and the economic impracticality if cable amplifiers are required to be placed on each individual subscriber's line. ¹⁶ It makes little practical sense to put in place inflexible rules given the variability of possible locations for the facility entrance point due to the variety of building designs, varying locations of "utility closets," wiring configurations already in place, and individual building owner or manager requirements. ¹⁷ Rather than imposing a regulatory mandate, encouraging building owners and service providers to function in a free market can result in economically efficient choices. ¹⁸

C. A Primary Goal of the Telecommunications Act of 1996 is to Enhance Competitive Entry

Permitting party's freedom to negotiate, coupled with the

Telecommunications Act's unbundling and interconnection requirements, can
be expected to facilitate competitive entry by alternate providers into

MDUs.¹⁹ Rather than proscribing demarcation rules limiting the potential
diversity of marketplace solutions, Commission forbearance from imposing

¹⁶ NPRM at paras. 18 and 19.

Comments of US West, CS Docket No. 95-184, at p. 6; Comments of USTA, CS Docket No. 95-184, at p. 5; Comments of Wireless Cable Assoc., CS Docket No. 95-184 / MM Docket No. 92-260, at p. 13; Comments of Ameritech, CS Docket No. 95-184, at p. 11.

¹⁸ Comments of BellSouth, CS Docket No. 95-184, at p. 4; Comments of US West, CS Docket No. 95-184, at p. 6; Comments of Ameritech, CS Docket No. 95-184, at p. 20.

¹⁹ Comments of BellSouth, CS Docket No. 95-184, at p. 5.

rules allows parties to conduct business in response to customer demand and competitive forces.²⁰

III. Keep Telephone Demarcation Rules In Place

A. Current Telephone Wiring Rules Have Worked Well

The Commission's current rules have worked well and no change in the Commission's telephone wiring rules is necessary. The current demarcation point is at an accessible location and service is interconnected by standard means.²¹

In response to the Commission's *Telephone Inside Wiring Report and Order*, ²² SNET put its policy into effect June 1, 1991 locating the point of termination within 12 inches from the protector or where the telephone wiring enters the customer's premises. In addition, SNET designates a single demarcation point at the minimum point of entry for new MDUs. ²³ Separate rules apply to "grandfathered" MDUs with multiple demarcation points put in place prior to June 1, 1991. SNET's policies have been applied consistent

²⁰ See Telecommunications Act of 1996, Sec. 401(a). See also Comments of BellSouth, CS Docket No. 95-184, at p. 6.

²¹ Comments of USTA, CS Docket No. 95-184, at p. 4; Comments of NYNEX, CS Docket No. 95-184, at pp. 5-6; Comments of GTE, MM Docket No. 92-260, at p. 3.

Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, Report and Order and Further Notice of Proposed Rulemaking, 5 FCC Rcd 4686, 4692 (1990), ("Telephone Inside Wiring Report and Order").

²³ SNET policy responds to customer choice for new MDUs with additional demarcation points provided under tariff filed with Connecticut Department of Public Utility Control.

with the Commission's directive to use "reasonable and nondiscriminatory practices."²⁴

B. A Common Demarcation Point for Narrowband and Broadband Services May Be Appropriate for Single Dwelling Unit Applications

To the greatest extent practicable, the demarcation point for single dwelling units could be established to allow a common service entry for narrowband and broadband services. Adopting this policy eases access and minimizes confusion among consumers, property owners and service providers in responding to trouble reports. Sharing the same demarcation point is also possible, or if sharing is not feasible, then subsequent providers could establish new demarcation points as close as practicable to the first. The goals of ready access by competitive service providers and minimal inconvenience to customers can be met with this policy.

²⁴ See Telephone Inside Wiring Report and Order at paras. 30-31. There is no merit in the claim by some parties (see AT&T Comments CS Docket No. 95-184) that such practices cause customer confusion or inhibit the development of competition. On the contrary, there is vigorous competition in the telephone inside wiring market as a result of the Commission's pro-competitive de-regulatory policies.

²⁵ Comments of US West, CS Docket No. 95-184 at p. 5; Comments of Pacific Bell, CS Docket No. 95-184, at pp. 6-7; Comments of USTA, CS Docket No. 95-184 at pp. 2-4.

²⁶ Comments of NYNEX, CS Docket No. 95-184, at p. 6; Comments of AT&T, CS Docket No. 95-184, at p. 6.

²⁷ Comments of US West, CS Docket No. 95-184, at p. 5

IV. Grant Ownership to Customers of All Newly-Installed Premises Wiring

A. Customer Control Prior to Service Termination Would Promote Customer Choice and Competition Among Services

The Commission is correct in tentatively concluding not to change the rules giving customers the right to access their narrowband ("telephone") inside wiring within their premises.²⁸ If the Commission takes the next step, then customers will be granted control over both telephone and cable home wiring from the point of service initiation, not just at the termination of service.²⁹ Such an action by the Commission would more fully achieve the goal of increased competition and effective deployment of new services by permitting customers to freely choose from among the services offered by competing providers.³⁰

B. The Commission Has the Discretion to Create Cable Home Wiring Rules to Advance Customer Control Prior to Service Termination

The Commission's authority to allow customers access to inside wiring before termination of service is the same as the Commission's

²⁸ NPRM at para. 42.

²⁹ Comments of Building Industry Consulting Service International ("BICSI"), CS Docket No. 95-184, at pp. 5-6; Comments of GTE, CS Docket No. 95-184, at pp. 16-18; Comments of USTA, CS Docket No. 95-184, at p. 6; Comments of Compaq, CS Docket No. 95-184, at p. 35; Comments of Media Access Project and Consumer Federation of America. CS Docket No. 95-184 / MM Docket No. 92-260, at pp. 1-2,

³⁰ Comments of NYNEX, CS Docket No. 95-184, at p. 10; Comments of CBT, CS Docket No. 95-184, at pp. 3-4.

authority in *Telephone Inside Wiring Report and Order*. The extension of the consumer's pretermination right to control the inside wiring for telephony to cable inside wiring is consistent with the purposes of Section 16(d) of the Cable Television Consumer Protection and Competition Act of 1992 and, indeed, was presumed by the Congress in its enactment of this provision.³¹ In the *Cable Wiring Order*, the Commission agreed that adopting broader cable home wiring rules, similar to telephone inside wiring rules, would foster competition, but did not address the issue because of time constraints.³² In not adopting such a rule the Commission also distinguished telephone wiring from cable wiring because cable operators, but not telephone service providers, are responsible for any signal leakage. The concern raised in the *Cable Wiring Order* that transfer of ownership may cause problems in controlling signal leakage has not materialized. Numerous cable operators, including one of the largest MSOs (Comcast), transferred ownership of inside

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³¹ See Senate S. Rep. No. 92, 102d Cong., 1st Sess. at 23 (1991) ("The FCC permits consumers to remove, replace, rearrange, or maintain telephone wiring inside the home even though it might be owned by a telephone company. (citation omitted) The Committee thinks that this is a good policy and should be applied to cable...")

³² Implementation of the Cable Television Consumer Protection and Competition Act of 1992: Cable Home Wiring, Report and Order. ("Cable Wiring Order"), 8 FCC Rcd 1435, ¶ 6 (1993).

wiring as they restructured their equipment rates to comply with the Commission's rate regulations prior to September 1993.³³ The record does not indicate that these operators have experienced more difficulty in monitoring or controlling signal leakage than operators whose policy is to retain ownership of such wiring. The Commission has sufficient statutory authority under the Communications Act to grant customer's control of inside wiring for both telephony and cable services and could do so to facilitate the development of competition and consumer choice.

Customer choice is enhanced if the Commission adopts its tentative conclusion that the seven-day business deadline for removing cable wiring after a customer terminates a service applies regardless of who subsequently moves into the customer's former premises.³⁴ This action opens the market to true competition by treating all providers fairly.

³³ See, Comcast Cablevision of Mount Clemens, Inc., v. City of Mount Clemens, 10 FCC Rcd 11046 (1995); Comcast Cablevision of Tallahassee, Inc., Appeal of Local Rate Order, 10 FCC Rcd 7686 (1995); Comcast Cablevision, Tallahassee, Florida, LOI-93-2, 10 FCC Rcd 13224 (1995); Comcast Cable Communications, Inc., Letter Ruling, DA 96-212 (Cable Serv. Bur. Feb. 21, 1996); Omnicom Cablevision of Illinois, Inc., Letter Ruling, DA 96-66 (Cable Serv. Bur. Jan. 24, 1996); Letters of Inquiry on Negative Option Billing, Consolidated MO&O, 95-106, 10 FCC 13224 (1995)(Nashoba Cable in Danvers, MA, Multivision in Prince Georges County, MD); Lawton Cablevision, 10 FCC Rcd 10419 (1995).

³⁴ FNPRM at para. 42.

V. <u>Prohibiting Future Loop-Through Installations Facilitates Competitive</u> <u>Markets</u>

Prohibiting future loop-through installations removes the negative impact on customer choice caused by: 1) denying individual customers the opportunity to choose an alternative supplier; 2) customer lack of control of the wiring within their premises and the ability to reconfigure it to suit their needs (e.g., to change the usage of a room); and 3) the possibility of service problems, such as a cut in the cable, affecting multiple providers.³⁵
Retaining the existing rules for loop-through installations stymies competition and precludes the opportunity for more than one provider to meet customer needs.

In addition, SNET finds merit in the proposal by some parties for a limited change in the Commission's rules to grant the building owner control over loop-through wiring where all subscribers in a MDU building want to switch to a new provider.³⁶ This proposal promotes competition and would allow a new broadband provider to avoid the dislocation and inefficient use of resources in rewiring the entire building.

³⁵ Comments of USTA, MM Docket No. 92-260, at p. 2; Comments of GTE, MM Docket No. 92-260, at p. 6.

³⁶ Comments of NYNEX, MM Docket No. 92-260, at p. 3; Comments of GTE, MM Docket No. 92-260, at p. 6; Comments of Liberty Cable, MM Docket No. 92-260, at p. 3; Comments of USTA, CS Docket No. 95-184, at p. 1.

VI. Conclusion

For all the foregoing reasons, the Commission must approach rule changes cautiously given the dynamic nature of narrowband and broadband technology and competitive markets. Rather than making sweeping changes now, a more effective course of action is to leave this proceeding open and consider the issues outlined in the notices during the pendancy of the Commission's proceedings implementing the Telecommunications Act of 1996.

Respectfully submitted,

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY

By Diane C. offis for

Anne U. MacClintock

Vice President - Regulatory Affairs and Public Policy

4th Floor

227 Church Street

New Haven, CT 06510

(203) 771-8865

April 17, 1996

CERTIFICATE OF SERVICE

I, Melanie Abbott, do certify on April 17, 1996, copies of the foregoing CS Docket No. 95-184 and MM Docket No. 92-260 Comments of SNET were hand-delivered or sent postage paid to the following:

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Bill Unseld Square D Company 3201 Nicholasville Road Lexington. KY 40503 Robert Sachs Howard Homonoff Continental Cablevision, Inc Lewis Wharf, Pilot House Boston, MA 02110 Frank Lloyd Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 701 Pennsylvania Ave. NW Suite 900 Washington, DC 20004

Stephen Effros James Ewalt Community Antenna Television Assn. 3950 Chain Bridge Road Fairfax. VA 22030 Jeffrey Sheldon Utilities Telecommunications Council 11 40 Connecticut Ave., NW Suite 1140 Washington, DC 20036 Aaron Fleischman Arthur Harding Jill Kleppe McClelland Fleischman and Walsh 1400 16th Street, NW Suite 600 Washington, DC 20036

Robert Bader BICSI 10500 University Center Drive Suite 100 Tampa, FL 33612 John Davis Donna Coleman Gregg Wiley, Rein & Fielding 1776 K Street, NW Washington, DC 20006 William B. Barfield Thompson Rawls II Bell South Corporation Suite 1800 11 55 Peachtree Street, NE Atlanta. GA 30309~361 0

Norman Sinel Patrick Grant Stephanie Phillipps Bruce Henoch Arnold & Porter 555 12th Street, NW Washington, DC 20004 Deborah Costlow Thomas Power Wiriston & Stra~ 1400 L Street. NW Suite 700 Washington. DC 20005 Howard Symons Keith Barritt Mintz, Levin, Cohn Ferris, Glovsky and Popeo, PC 701 Pennsylvania Ave.. NW Suite 900 Washington, DC 20004

Robert Lemle Cablevision Systems Corporation One Media Crossways Woodbury, NY 11797 Daniel Brenner Loretta Polk NCTA. Inc. 1 724 Massachusetts Ave.. NW Washington. DC 20036 Deborah Haraldson NYNEX 120 Bloomingdale Road White Plains, NY 10605

Terry Mahn, Esq. Fish & Richardson 601 13th Street, NW 5th Floor North Washington. DC 20005 Gigi Sohn Andrew Jay Schwartzman Media Access Project 2000 M Street, NW Washington. DC 20036 John Muehlstein Federsen & Koupt 180 North LaSalle, Suite 3400 Chicago, IL 60601

Philip Vereer Sue Blumenfeld Wilkie Fair & Gallagher Three Lafayette Centre 1155 21st Street, NW Washington, DC 20036 Williain Finneran New York State Commission on Cable Television Corning Tower Bldg. Empire State Plaza Albany, NY 12223 George Schwartz 549 Fairfield Road East Windsor, NJ 08520 Stuart Feldstein Fleischman & Walsh 1400 Sixteenth Street, NW Washington, DC 20036 Paul Schwedler Carl Wayne Smith Defense Information Systems Agency 701 South Courthouse Road Arlington, VA 22204 Nancy Woolf James Tuthill Pacific Bell & Nevada Bell 140 New Montgomey Street Room 1523 San Francisco, CA 94105

James Wurtz William Adler Pacific Telesis 1275 Pennsylvania Avenue, NW Washington, DC 20004 John Cole, Jr Paul Glist Cole, Raywid & Braverman 1919 Pennsylvania Ave., NW Suite 200 Washington. DC 20006 Rose Helen Perez. Times Mirror Cable Television, Inc. 2381-2391 Morse Avenue Irvine, CA 92714

Paul Sinderbrand Dawn Alexander 888 16th Street, NW Suite 610 Washington, DC 20036 James Meyers Baraff, Koerner, Olender, & Hochberg, PC 5335 Wisconsin Avenue, NW Suite 300 Washington, DC 20015 Edward Hummers, Jr Paul Feldman Fletcher, Heald, & Hildreth 1300 17th Street North Ilth Floor Arlington, VA 22209

Michael Glover Bell Atlantic Telephone Companies 1310 North Court House Road Eighth Floor Arlington, VA 22201 W. James MacNaughton Liberty Cable Company. Inc. 90 Woodbridge Center Drive Suite 610 Woodbridge, NJ 07095 Henry Rivera Ginsburg, Feldman and Bress, Chtd. 1250 Connecticut Avenue, NW Suite 800 Washington, DC 20036

International Transcription Sei'vice 2100 M Street, NW Suite 140 Washington, DC 20036 Vicki Mason Telecorninunications Reports 1333 H Street, NW 11th Floor, West Tower Washington, DC 20005 Ted Coombes American Public Power Assn. 2301 M Street,NW Washington, DC 20037

James L. Casserly Squire, Sanders & Dempsey 1201 Pennsylvania Avenue, NW P.O. Box 407 Washington, DC 20044